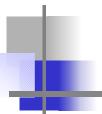# You and Your Third Party Servicer

Region VI Advisory Council Career
Schools Conference
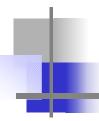
March 6, 2005

Thanks to the Region VI Advisory Council Career Schools Conference

TPS and School Responsibilities

- We will talk about many issues, relationships, and products.
- Not intended to be complete
- Not intended to be used AS a resource but to direct you TO resources

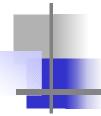# Basis of Being a Fiduciary of Title IV Funds

- Program Participation Agreement (PPA)
- Contract between ED and School whereby school promises to act on ED's behalf in disbursing Title IV funds to Title IV beneficiaries
  - AND
- Maintain a level of administrative capability that ensures that Title IV funds are safeguarded
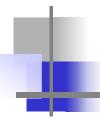
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TPS

- TPS is a tool to assist you in meeting your obligations
  - NOT
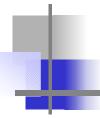- A transfer of responsibility in meeting your obligations

TPS Duties

- Each contract is unique
- Governed by regulation
  - 34 CFR 668.25
- Do not list your TPS as your FAA without consulting with the TPS first
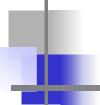- Some duties include the following

Typical Services

- Processing FAFSAs
- Performing need analysis
- Determining student eligibility
- Processing ISIRs
- Certifying student loan applications
- FISAP for campus based programs
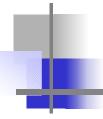- Transmitting and receiving COD data

Typical Services

- Receiving, disbursing or delivery of FSA funds
- NSLDS Enrollment Reporting
- Applying for (re)certification as an eligible Title IV participant and updating application
- IPEDS Reporting
- Campus Security Reporting

Requirements

- TPS must agree to comply with all applicable requirements
  - Refer any suspicion of fraudulent or criminal conduct related to Title IV administration to OIG

  - If the disbursement agent, execute the necessary returns of Title IV funds when a student withdraws
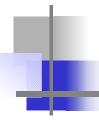
TPS Acts for School in ED Electronic Systems

- Student Aid Internet Gateway (SAIG)
- Common Origination and Disbursement System (COD)
- National Student Loan Data System (NSLDS)
- Central Processing System (CPS)
- Grant Administration and Payment System (GAPS --- E-Payments)
- Electronic Application for Approval to Participate in FSA Programs (Eapp)
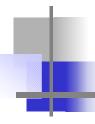
SAIG

- Formerly known as TIVWAN
- The ED vehicle for electronically transmitting and receiving data
  - CPS
  - NSLDS
  - COD
  - Schools
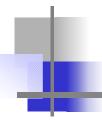- School data is placed in TG Mailbox

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COD

- ED system that includes origination and disbursement data for the Federal Pell Grant Program and the Federal Direct Loan Program
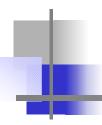- Electronically linked to GAPS, NSLDS, CPS

NSLDS

- Database that collects & reports info about financial aid history of students
- Contains data about all Federal student loans and Federal Pell Grants
- Data Providers include ED, GAs, Lenders, Schools
- Linked to COD, CPS

NSLDS-Transfer Monitoring

- Process schools use to automatically receive info from NSLDS about students who are moving from one school to another in the middle of an award year
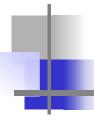
NSLDS – Enrollment Reporting

- Formerly known as SSCR

- Process by which schools report a student's enrollment status

- Determines loan deferment eligibility, grace periods, and loan repayment schedules
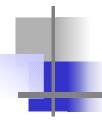
CPS

- FAFSA processor
- Calculates official EFC
- Performs matches with other databases
  - SSA
  - NSLDS
  - Selective Service
  - DHS
- Creates and transmits/mails ISIRs/SARs
- Linked to NSLDS, COD
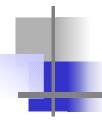- FAA Access to CPS Online

GAPS

- System by which schools request actual Title IV funds from US Government

- Funds move electronically into school identified "federal funds" bank account
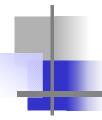
GAPS

- Funds are identified by Title IV program, award year, date of drawdown

- Federal Pell and Federal DL funds MUST be substantiated with disbursement data in COD

- GAPS is NOT student specific

GAPS

- View-only capability
- Funds accessed in GAPS are for immediate disbursement to Title IV recipients
- GAPS has a process to return Title IV funds to the Federal government when applicable
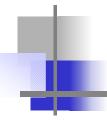- Linked to COD

Separation of Duties

- Having a TPS does not automatically ensure Separation of Duties

What Duties Must Be Separate?

- The processes involved with authorizing Title IV for a student
  - AND
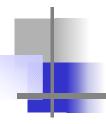- The processes involved with disbursing Title IV for a student

Policies and Procedures

- Policies and Procedures are required
- Must define process of awarding and disbursing Title IV funds
- Develop P & P with the TPS
- Understand the role TPS plays in each step of the process
- Understand the role that the school plays in each step of the process
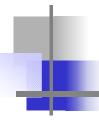
Notification

- Schools must notify ED via the eapp:
  - Existing TPSs
  - New TPSs
  - Significantly modifies TPS contract
  - Termination of a contract by either party due to mutual agreement, failure to deliver services, going out of business, bankruptcy, etc.
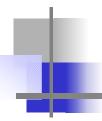- Report within 10 days of the date of the change

Responsibility

- A TPS is a great resource
- Work with your TPS to more fully understand processes and what your responsibility is
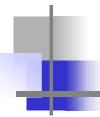- You are the PPA signatory

Resources

- www.fsadownload.ed.gov
  - Sources of Assistance for Schools
    - Info about every electronic tool/system and how to get assistance
- IFAP
  - FSA Assessments
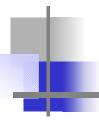   - Info about awarding and disbursing FSA
- Your TPS

ED Training

- CBT for COD
- CBT for EDExpress
- FSA Coach
- IFAP – Training
- ED Workshops
- WEBEX
- Fundamentals in May 2005 may have to be adjusted due to RTF moving
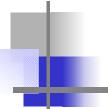
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ED Conferences

- 2005 Spring Conference
  - March 22-24, 2005   Reno, NV
- 2005 Electronic Access Conference
  - San Diego, CA
    October 30- November 2, 2005
  - Atlanta, GA
    November 29 - December 2, 2005
- 2006 Spring Conference
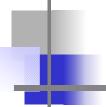 - San Antonio, TX
    April 5-7, 2006

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QUESTIONS ?

For electronic copies of this presentation, please look for it on IFAP under Conference Presentations

Thank You !!

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